

Peninsula press

Beach Hop
this weekend
see pages 7-10

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People of the land say 'No' to more mining

FROM THE SHORES OF Tauranga to the rugged coastlines of northern Coromandel, the people, the tangata whenua, converged on Waihi on Monday to protest at Newmont Gold's planned expansion of prospecting and mining in the region.

Green MP Catherine Delahunty said the group had gathered to say enough is enough to Newmont Gold.

"We are here to tell this mining giant that has despoiled countries all over the world tearing at the earth for gold ... we do not want more of the same to happen here."

She said Newmont had already scarred the landscape with their mining activities in Waihi, and will leave the area with a toxic legacy

of 40 million cubic metres of toxic waste.

"The last thing we want is for them to expand northwards into other areas, our conservation land, raping that for its bounty too... It is a legacy we must not leave for future generations."

Former Green MP Janette Fitzsimons said it was great to see the people representing the whole of the Coromandel standing together.

The anti-mining lobby group, Coromandel Watchdog, said the message being presented to Newmont was they and other mining companies were not welcome on the Coromandel Peninsula.

"Newmont and other mining or exploration companies have been granted exploration or prospecting permits for minerals over the entire

peninsula.

There is no consultation with the community during this process so we are taking our message to them," said Watchdog Coordinator Renee Annan.

Ms Annan said that the permits cover a variety of private, crown and conservation land (including Schedule 4), as well as the firth of Thames and the Coromandel Harbour. The permits currently stretch from Kuaotunu down past Waihi.

"Our communities are facing a repeat of the 1980s with the whole peninsula, including Schedule 4 land under threat once again."

"Exploration is a huge threat and the process post exploration becomes very expensive to get our voices heard, so it is important to

stop them now," said Ms Annan.

"Waihi residents adjacent to the Martha pit or living above the underground and proposed underground mines are also facing further expansion by Newmont, meaning more vibration, noise, dust and loss of property values. We hope our protest offers some solidarity to the people living with the effects of mining every day."

"Our action today has sent a clear message to Newmont, other mining companies, and our government: Coromandel is too precious to mine!"

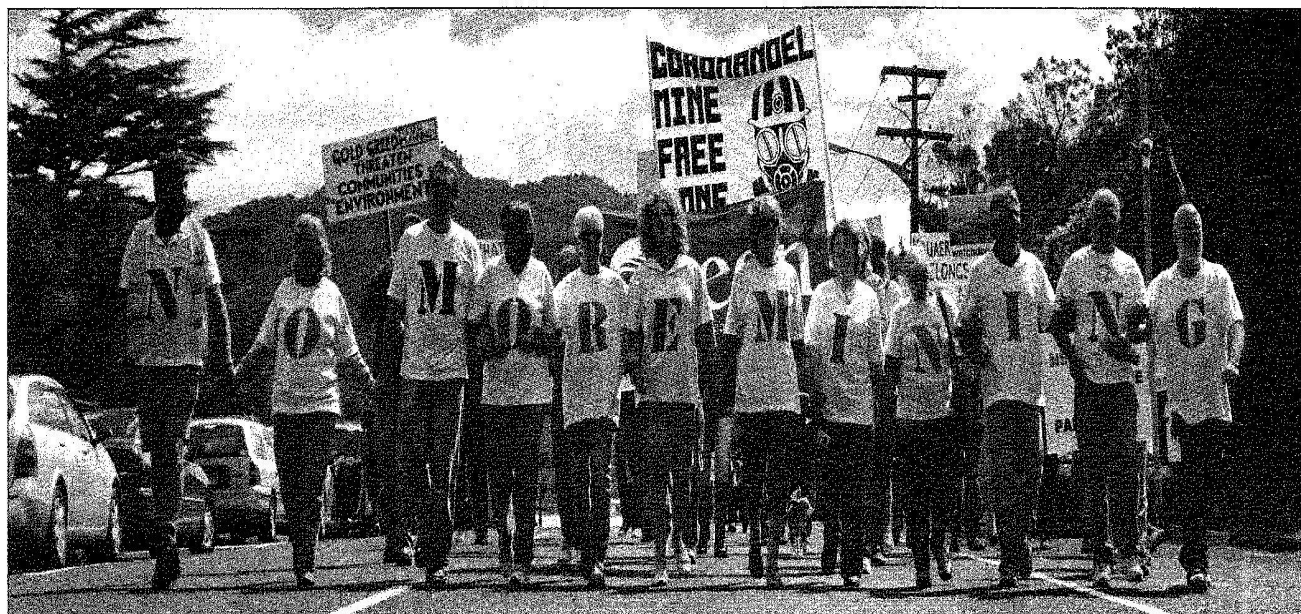
After gathering outside Newmont's 'education centre', the protest 100 strong group (pictured) marched to Newmont's Waihi offices where Janette Fitzsimons presented the company's External Affairs

Manager, Sefton Darby, with a petitions and a citizens declaration opposing all industrial scale mining activity in the area.

FOOTNOTE: There are currently 19 mining exploration permits on the Coromandel Peninsula covering approximately 80,000 hectares of land. Recent exploration by Newmont Waihi Gold / Glass Earth Gold yielded evidence of gold and silver, but in an area that includes habitat for the rare Archey's frog.

This same co-venture has been doing exploration drilling in the Parakiwai Valley near Whangamata, part of the Coromandel Forest Park. Coastal gems Opoutere and Onemana have also had drilling within Crown Forestry Land.

• See Newmont Waihi Gold's full response page 4...



Newmont Waihi Gold response to Green Party protest

Responding to this week's demonstration, Newmont Waihi Gold say they were disappointed Catherine Delahunty and the Green Party had sought to score political points by bringing in people from outside Waihi for a protest. They say it was an attempt to hijack the positive relationship between the community and the company.

Newmont Waihi Gold operates three mines in Waihi – the Martha open pit mine, and the Favona and Trio underground mines. In August 2011 the Company announced its intention to expand underground mining operations, and has been engaged in

government. "In these tough economic times we find it astonishing that the Green Party is advocating making 700 – 800 people unemployed in return for what appears to be imaginary green jobs," Sefton Darby said.

He said there was a legitimate debate to be had in New Zealand about mining. During 2010s Schedule 4 debate Newmont Waihi Gold took the distinct approach of recommending in its official submission that no land should be removed from Schedule 4.

Newmont Waihi Gold agrees with many environmentalists that the singularly greatest threat to the conservation estate is that there are not enough resources to carry out pest and predator control on seven-eighths of DoC land.

"Newmont Waihi Gold operates under an extremely rigorous range of environmental monitoring conditions set by local, regional and national government agencies. We challenge the Green Party to discuss the environmental facts of modern mining at Waihi rather than simply wave a few placards for the evening news," Sefton Darby said.

FOOTNOTE: Information on all aspects of Newmont Waihi Gold's operations can be found on www.waighold.co.nz. This includes a

detailed breakdown of Newmont's Property and Community Investment Policy for Waihi; Newmont's Golden Link expansion proposals and details of tax and royalty payments for the past six years.

Newmont Gold Waihi - The full response

Gold mining in Waihi: the facts... Protestors with placards keep repeating the five statements below.

1. 'You don't pay any royalties, hardly any taxes, and all your profits go offshore'.

2. 'You haven't done anything for Waihi'.

3. 'Waihi Gold's tailing storage area is just like Tui mine'.

4. 'You want to mine on conservation land and Schedule 4 areas'.

5. 'Your exploration activities harm threatened species like frogs'.

Is there any truth in any of these statements? We'll let the facts speak for themselves.

1. 'You don't pay any royalties, hardly any taxes, and all your profits go offshore'.

Mining royalties are a type of tax that is paid on production of certain minerals including gold. Royalties are different from a normal tax in two crucial ways:

• They are paid irrespective of whether the company makes a profit

or not. • They are paid on the total value of gold sales, not just on the profit margin.

For example, if a company produces \$100m in revenue from gold mining, and it costs \$90m to produce that gold, it will pay company tax on that \$10m of profit. But it will also pay royalty on the entire \$100m of revenues, not just the profit margin. The current royalty regime for gold in New Zealand is 1% of the total revenue of gold, or 5% of accounting profits, whichever is higher. This is in addition to all of the other taxes that non-mining companies would pay.

Newmont Waihi Gold has three mines – the Martha open pit mine and the Favona and Trio Underground Mines. When production at Martha began there was no royalty regime for any mine in New Zealand, and therefore historically royalties have not been applied to production at Martha.

Current mining operations at Martha are due to finish at the end of 2014. We are currently investigating developing an underground mine at Martha to replace the current open pit mine. It will take several years of exploration to determine that, but if an underground mine is developed at Martha we expect that it will pay

Continued next page

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RICHMOND

Newmont Waihi Gold response Cont. from previous page

royalties. Royalties are paid on all of our underground mining operations, which account for the vast majority of our production.

Over the past six years we have paid on average \$5.7m in company tax and \$1.3m in royalties per year.

2. 'You haven't done anything for Waihi'.

The single greatest economic impact from our operations comes from the wages and salaries we pay people we employ, the contractors we hire and the money we spend on building and maintaining our operations here in Waihi. Because mining companies are tied to where the mineral resource is, we can't just pick up our gear and go somewhere else, or outsource all of our labour and suppliers – a large proportion will always have to be local.

From 2006 – 2010 we spent \$694m on operations, and invested another \$239m in equipment and facilities – at total of \$933m. 32% of that is spent in and around Waihi. 82% of it is spent in New Zealand.

We currently employ close to 400 people in our operations in Waihi, and economic impact assessments in the past have shown that for every person employed directly by the mine, another person is employed as a result of work that we generate (e.g. mechanics maintaining vehicles) or because of the money that our employees spend (e.g. the employees of local supermarkets where we do our shopping).

And we are a long-term industry – we have been operating at Waihi since 1987. By comparison the government's Business Demography Statistics show that of all the businesses that were created in 2001, only 31% still existed in 2010.

For more information about our contribution to the Waihi community see: <http://www.marhamine.co.nz/assets/updates/2012/newmont-update-2012-01-12.pdf>

3. 'Waihi Gold's tailing storage area is just like Tui mine'

Tui mine is a significant environmental issue. The abandoned underground workings and exposed tailings dam at Tui are leaching base metal sulphides into surrounding streams, resulting in localised and downstream contamination. The site is currently regarded as the most contaminated in New Zealand, and a programme of remediation is finally underway.

Over the past 30 years discharges of heavy metals and acid rock drainage from the abandoned site have left surface water toxic to aquatic life and unsafe for recreational activities. The source of these contaminants is

the sulphide minerals in the rock that oxidise over time and are then leached by rainfall forming acidic runoff containing elevated concentrations of copper, lead, zinc and other trace elements.

Forty years ago there was no Resource Management Act. There were no bonds required. No closure plans had to be developed prior to mining starting or implemented after closure. The industry's and general community's view of the environment was very different to what it is today. In contrast, the Martha and Favona mines at Waihi typically contain low concentrations of sulphides, particularly of copper, lead, zinc and other trace elements. Newmont's mines must also comply with a range of legislation – including

and Water Treatment Plant and take title to the land upon which they stand. A sum of money will be handed over by the Company, and the interest generated from that money would allow the Trust to manage, monitor and maintain the land, and provide the necessary insurance cover. The company is required to have in place a rehabilitation bond to cover the costs of closure whenever that may occur. The amount of the rehabilitation bond is reviewed annually, and this bond is only released once closure of the site is completed. At present our bonds total approximately \$43M.

4. You want to mine on conservation land and Schedule 4 areas'.

Not all conservation land was created equal. There are some lower value conservation lands that we

5. 'Your exploration activities harm threatened species like frogs'.

Before we can put an exploration drill rig on land administered by the Department of Conservation (DoC) we commission an independent survey of flora and fauna.

The report produced goes to DoC. The survey usually involves a couple of days and a night in the bush in the location we wish to place the drill rig.

If the survey finds threatened or endangered species of any kind, or if the investigation reveals a particularly good specimen of a tree of other plant, then we will not be allowed to site the rig in that location.

It could be that we are allowed to access the site but some native trees within the drill site area must remain untouched. The exact location

endanger the environment. If they did we would not receive the necessary consents and approvals from all the different authorities to construct the site or to operate.

Newmont Waihi Gold manages the Martha, Favona and Trio mines in Waihi, New Zealand and has an active exploration programme in the region. An average of around 100,000 ounces of gold and 700,000 ounces of silver have been produced annually in Waihi since 1988.

Waihi's mining operations are located in close proximity to a thriving community and are the subject of intense public interest. Consent conditions are stringent. The company is dedicated to maintaining operations in a socially and environmentally responsible manner.





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ATTENTION ALL ROAD USERS

Well it's been nearly a week since the new Give Way Rule changed. Some drivers still find the new rules a challenge.

All drivers (new drivers/experienced drivers/older drivers) If you are having difficulty understanding the new rules, please don't hesitate to contact Gail for professional tuition.

Restricted and Full Licence Tests

Well as many of you already know that there has been changes made to the restricted and full licence tests. The restricted test is now one hour long, consisting of many more complex manoeuvres. These manoeuvres are assessed in different speed zones.

Drivers now need to have a high level of reversing and parking skills to be able to pass the test.


Testing Officers will be able to establish whether the driver has had the recommended one hundred and twenty hours of driving time before taking the test, by their performance throughout the test.

The full licence test is now half an hour long. However this doesn't mean that the test is easier. Quite the opposite.

Drivers abilities must be of a high standard to pass their test. Many drivers fail their test because they do not verbalize enough with regard to hazard detection and hazard responses.

Gail was a NZTA Qualified Testing Officer for two years. Therefore has the knowledge to pass onto her students.

For more information phone
(07) 868 9687 or 027 504 7161



the Resource Management Act and bonding requirements – to ensure there is never 'another Tui'.

At Tui, the tailings are stored behind a simple bund at the head of a steep valley. At Martha the tailings storage impoundment walls are carefully engineered structures constructed in zones and feature a comprehensive drainage system to capture any seepage. The Tui tails impoundment would be endangered by a moderate seismic event or an extreme weather event. The tailings impoundments at Waihi are designed to withstand what engineers describe as a Maximum Credible Earthquake (MCE) based on a seismic hazard study of the site in accordance with international guidelines.

When the Waihi tailings impoundments are finally closed a charitable trust will manage areas such as the Tailings Storage Facilities

believe could be mined if mineable resources were found. Not all conservation land is bush. There are significant areas of pine forest and scrub within the conservation estate, including some Schedule 4 land on the Coromandel Peninsula. We would argue that it is better to use this land for productive purposes and generate revenue to provide active stewardship of high value conservation land. Conservation is about both the land as well as the resources to protect the land, and at present over 85% of the conservation estate goes completely unguarded from pests and predators due to lack of resources.

For the record, Newmont Waihi Gold's submission on Schedule 4 was that the status quo should remain and that Schedule 4 should remain pending a robust analysis of conservation values in all land covered under the Schedule.

is selected in consultation with DoC to minimise disturbance to vegetation and the ground surface. DoC staff will come and check our operation.

Our exploration activities must also adhere to any local or regional council bylaws. For example, if we wish to draw water from a stream we would need the relevant consent.

When the rig leaves the site the area is restored. Exploration drilling operations do not